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MINISTRY OF FINANCE

(Department of Revenue)

New Delhi, the 27th December 1958

THE JAMMU & KASHMIR (TAXATION CONCESSIONS) ORDER, 1958

G.S.R. 1235.—In exercise of the powers conferred by section 60A of the Indian Income-tax Act, 1922 (11 of 1922), the Central Government hereby makes the exemptions, reductions in rate of tax and the modifications specified in this Order.

2. Short Title.—This Order may be called the Jammu and Kashmir (Taxation Concessions) Order, 1958.

3. Definitions.—In this Order—

- (i) 'Act' means the Indian Income-tax, 1922 (11 of 1922);
- (ii) 'appointed day' means the 13th day of April, 1954;
- (iii) the expression 'Indian rate of tax' means the rate determined by dividing the amount of income-tax and super-tax payable in the taxable territories on the total income for the year in question in accordance with the rates prescribed by the relevant Finance Act of the Central Government by the amount of such total income;
- (iv) 'State' means the State of Jammu and Kashmir;
- (v) the expression 'State rate of tax' means the rate determined by dividing the amount of income-tax and super-tax payable on the total income according to the rates of tax in force in the State immediately before the appointed day, or for the year in question, as the case may be, by the amount of such total income;
- (vi) the expression 'State law' means any law relating to income-tax and super-tax in force in the State immediately before the appointed day;
- (vii) the expression 'taxable territories' shall have the same meaning as is assigned to it by clause (14A) of section 2 of the Act.

4. Salaries.—Where the total income of an assessee, not being a company or an employee of the Central Government or of the Government of a State in India other than the State of Jammu and Kashmir includes any income chargeable under the head "salaries" as reduced by the deduction, if any, for earned income appropriate thereto, which was paid for services rendered in the State during the year ended the 31st day of March, 1954, it will be assessed for the assessment year ending on the 31st day of March, 1955 at the rates prescribed in the Jammu and Kashmir Finance Act, 2010; and both Income-tax and Super-tax rates specified in the said Finance Act will apply.

5. Dividends.—Where the total income of an assessee chargeable to tax for the assessment for the year ending on the 31st day of March, 1955 includes any income arising during the previous year in the State from dividends paid by a company registered in the State, it will be assessed to income-tax at the rates prescribed in the Jammu and Kashmir Finance Act, 2010 and to super-tax at the rates prescribed by the Indian Finance Act, 1954.

6. Double Income-tax Relief.—Where any income has been or is liable to be assessed in the State and also in the taxable territories other than the State, double income-tax relief which would have been or would be admissible under the Indian Income-tax (Double Taxation Relief) (Indian States) Rules, 1939 and in the State, under the corresponding rules, shall be allowed.

7. Exemptions.—Any income falling within the following class shall be exempt from income-tax and super-tax and shall not be included in the total income or total world income of the person receiving them:

The *bona fide* annual value of the palaces mentioned below of Yuvraj Shri Karan Singh in his capacity as Yuvraj and not as Sadar-i-Riyasat of Jammu and Kashmir:—

- (i) Hari Niwas (with staff houses Nos. 3, 4 and 5 and other appurtenances), Jammu,
- (ii) Amar Mahal with servants' blocks and other appurtenances, Jammu; and
- (iii) Karan Mahal with appurtenances of Tara Niketan, Cheery Grove, Farm House, Fair View, Private offices, guard room and other appurtenances which are all included within the same compound wall and also Lakshmi Kuti or Lake Pavillion, Srinagar.

This concession shall continue to be enjoyed on his succession to His Highness Maharaja Sir Hari Singh and shall also be available to the person or persons succeeding him.

[No. 113/50-St(Int)IT/56.]

THE TAXATION LAWS (JAMMU AND KASHMIR) (REMOVAL OF DIFFICULTIES) ORDER, 1958

G.S.R. 1236.—Whereas certain difficulties have arisen in giving effect to the provisions of the Indian Income-tax Act, 1922 (11 of 1922) and the Payment of Taxes (Transfer of Property) Act, 1949 (22 of 1949) in the State of Jammu and Kashmir.

Now, therefore, in exercise of the powers conferred by section 8 of the Taxation Laws (Extension to Jammu and Kashmir) Act, 1954 (41 of 1954), the Central Government hereby makes the following order, namely:—

1. This Order may be called the Taxation Laws (Jammu and Kashmir) (Removal of Difficulties) Order, 1958.

2. **Computation of aggregate depreciation allowance and written down value.**—In making any assessment under the Indian Income-tax Act, 1922, all depreciation actually allowed under any laws or rules of the State of Jammu and Kashmir relating to income-tax and super-tax, or any law relating to tax on profits of business, shall be taken into account in computing the aggregate depreciation allowance referred to in sub-clause (c) of the proviso to clause (vi) of sub-section (2), and the written-down value under clause (b) of sub-section (5), of section 10 of the said Act:

Provided that where in respect of any asset, depreciation has been allowed for any year both in the assessment made in the State of Jammu and Kashmir and in the taxable territories, the greater of the two sums allowed shall only be taken into account.

Explanation.—For the purpose of this paragraph, the expression "all depreciation actually allowed under any laws or rules of the State of Jammu and Kashmir" means the aggregate allowance for depreciation taken into account in computing the written-down value under any laws or rules of the said State or carried forward under the said laws or rules.

3. **Carry-forward and set off of previous losses.**—Where in any previous year prior to the previous year for the assessment for the year ending on the 31st day of March, 1954, an assessee has sustained loss of profits or gains in any business, profession, or vocation carried on by him, and such loss would, had the State Law continued to be in force, have been set off against the profits and gains, if any, from the same business chargeable to tax in the said year of assessment or in any year subsequent thereto, such loss would be set off in the same manner, to the same extent and up to the same year of assessment, as it would have been set off had the State law continued to be in force.

[No. 114/50-St(Int)-IT/56.]

E. S. KRISHNAMOORTHY, Add. Secy.